

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

***ROBERT V. TOWNES, IV, individually  
and on behalf of all persons similarly  
situated,***

***Plaintiff,***

***vs.***

***TRANSUNION, LLC and TRUELINK,  
INC.,***

***Defendants.***

***CASE NO. 04-1488-JJF***

***CLASS ACTION***

**DECLARATION OF MICHAEL J. DANIELS**

**STATE OF GEORGIA  
COUNTY OF MUSCOGEE**

Pursuant to 28 U.S.C. § 1746, MICHAEL J. DANIELS makes the following declaration:

1.

My name is Michael J. Daniels. I am over the age of eighteen, have personal knowledge of the facts in this declaration, and am competent to testify to these facts.

2.

This Declaration is prepared in accordance with 28 U.S.C. § 1746 for use in the above-referenced matter and for all purposes allowable under law. The

statements made herein are based upon my own personal knowledge, my education, training and work experience. Attached to this Declaration is a current copy of my CV.

3.

*A review of the **Stipulation and Agreement of Settlement** in the Civil Action File No. 04-1488 (Townes v. TransUnion, LLC, et al. was performed to establish an estimated value of the settlement.*

The analysis performed was designed to establish the value of the proposed settlement to the Class Members. In valuing the settlement, factors such as class size and the monetary value of the items offered to the class members were utilized.

The value of the settlement to the Class has two elements. First, the retail value of the benefits offered in the settlement provides a basis for the first element. The benefits offered are:

1. Unlimited access to credit reports and credit scores.
2. A monitoring service to alert users to any critical changes to their credit reports.
3. Support and up to \$25,000 ID theft insurance.

These benefits have a stated value of \$9.95 per month and are offered for a period of three months. This value is reasonable and falls within the guidelines for

charges for such services as determined by the Federal Trade Commission (FTC) in 2006. The FTC set a maximum allowable charge for credit report and scores services at \$10.00. In fact the market value of the total package might well be greater than the stated \$9.95 since two additional services are included. The value of this first element to the approximately 3,800,000 members of the Class was estimated to be \$113,430,000. Because the FTC has not yet acted on its proposed rulemaking on the maximum charges allowable for credit scores, I have not included a specific valuation for such scores. However, the FTC noted that the market value of such scores ranged from \$4-\$8. Including these values would increase the total potential value of the settlement.

The second element of the basic value was determined by estimating the value of the "up to \$25,000 ID theft insurance" to the class. Based on studies by the FTC, as well as by private studies, the incidence of identity theft in the U.S. is approximately 1 in 24 people ages 18 and older annually. This represents approximately 4.1% of the population. In terms of the class, approximately 156,000 will suffer ID theft each year. The average loss of such theft on a per person basis is \$6,000. Such a level of loss would be covered by the insurance coverage offered in the settlement. The value of this coverage over the three-month period of the offering was estimated to be \$233,790,000.

The total value of the settlement is the sum of these two elements. Therefore the value of the settlement to the Class is determined to be \$347,220,000.

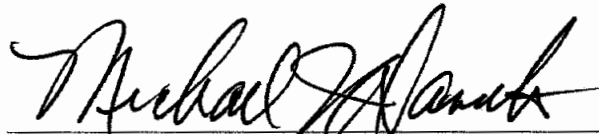
From an economics perspective the value of such a settlement is “what the settlement is worth to the class members.” Whether members of the class actually decide to utilize the offerings of the settlement is not determinative of the economic value of the settlement. Such decisions are issues of consumer choice and taste. However as a means of discounting the estimates based on the level of participation by Class members two additional estimates were made. These estimates are shown in Table 1.

Table 1  
Value of Settlement  
5% and 10% Participation Rates

Participation Rate	Retail Value of Benefits Package	Value of ID theft insurance	Total Value
5%	\$5,671,500	\$11,689,000	\$17,360,500
10%	\$11,343,000	\$23,379,000	\$34,722,000

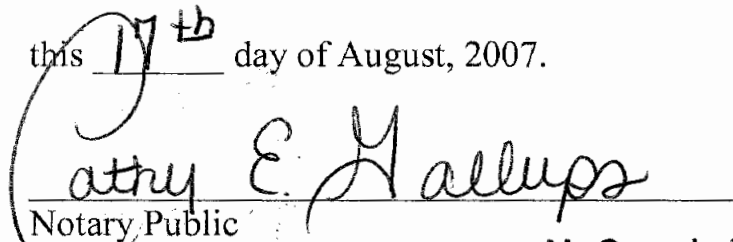
In summary, the full potential value of the settlement to the Class as a whole is \$347,220,000. The discounted values based on lower than 100% “take rates” are set forth above.

I certify under penalty of perjury that the foregoing is true and correct.

  
\_\_\_\_\_  
Michael J. Daniels

Sworn and subscribed before me

this 17<sup>th</sup> day of August, 2007.

  
\_\_\_\_\_  
Cathy E. Hallups

Notary Public

My Commission Expires: \_\_\_\_\_

**My Commission Expires**  
**May 10, 2010**

**MICHAEL J. DANIELS**  
4346 Deanery Court  
Columbus, Georgia 31907

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#### **EDUCATIONAL BACKGROUND**

Ph.D. Economics	Georgia State University, 1979. Dissertation: "An Econometric Model of a Region's Financial Sector."
B. A. Economics	Samford University, 1974.

#### **ACADEMIC EMPLOYMENT**

1980 - Present	Columbus State University,  Associate Dean (1995-2001, 2005 - Present), Professor of Economics (1995 - Present) Acting Chair, Department of Financial Information Systems (August 2005 – June 2006) <u>Office of Community Development.</u> <u>Executive Director (2001-2002)</u> <u>Abbott Turner School of Business.</u> Assistant Dean (1986-1989) (1993-1995), Associate Professor of Economics (1984-1995), <u>Center for Regional Economic Studies</u> Director, (1989-1995).
1977 - 1980	Austin Peay State University, College of Business. Assistant Professor Economics.
1974 - 1977	Georgia State University, College of Business, Economic Forecasting Project. Research Assistant 1974-76. Research Instructor (faculty rank) 1976-77.

#### **CONSULTING**

Expert witness in the field of economics and economic analysis since 1981.  
Associated by attorneys in Alabama, Georgia, Louisiana, and Texas to provide  
economic analysis and testimony with respect to economic evaluations.

Consulting for local Chamber of Commerce and businesses.



## PAPERS

***"Economic Evaluations by Economists,"*** presented at the 1984 meetings of the Midsouth Academy of Economics and Finance.

***"Estimating the Value of Household Services for Use in Personal Injury and Wrongful Death Cases,"*** presented at the 1985 meetings of the Midsouth Academy of Economics and Finance.

***"Economic Evaluations of a Minor Child,"*** presented at the 1986 meetings of the Midsouth Academy of Economics and Finance.

***"Earnings Growth Rates and Mean Earnings: The Effect of Time on the Effective Rate of Growth,"*** presented at the 1987 meetings of Midsouth Academy of Economics and Finance.

***"Differences in Wrongful Death Statutes: A Midsouth States Comparison,"*** presented at the 1988 meetings of the Midsouth Academy of Economics and Finance.

***"The Effects of Data Selection on the Economic Evaluation of a Minor Child,"*** presented at the 1989 meetings of the Midsouth Academy of Economics and Finance.

***"Techniques for Making Life Estate Estimates,"*** presented at the 1989 meetings of the Midsouth Academy of Economics and Finance. (co-author)

***"Towards a System of Evaluating Structured Settlements in Wrongful Death and Personal Injury Cases,"*** presented at the 1989 meetings of the Midsouth Academy of Economics and Finance. (co-author)

***"An Analysis of Alternate Investment Strategies for Settlement Offers in Personal Injury and Wrongful Death Cases,"*** presented at the 1990 meetings of the Southwestern Society of Economist. (co-author)

***"Structured Settlements and Client Needs,"*** Journal of the Georgia Trial Lawyers Association, Feb/March 1990, p.28, Co-authored with Elsie R. Arno.

***"An Appraisal Technique for Making Life Estate Estimates,"*** The Journal of Real Estate and Economics, Fall 1990, p.1, Co-authored with John Bohannon and Tommy Meadows.

***"Estimating the Value of a Homemaker for Use in Personal Injury and Wrongful Death Cases,"*** Trial Diplomacy Journal, September 1992, Co-authored with Elsie Arno.

**"Replacement Cost Analysis: Evaluating the Services of the Homemaker,"** Presented at the 1993 meetings of the Southwestern Society of Economists. (co-author).

**"The Proper Use of Work Life Estimates in Analyzing Loss in Personal Injury and Wrongful Death Cases,"** Presented at the 1993 meetings of the Southwestern Society of Economists. (co-author).

**"Another Tool of the Trade: Using a Financial Calculator for Flexibility in Personal Injury and Wrongful Death Cases,"** Presented at the 1994 meetings of the Midsouth Academy of Economics and Finance. (co-author).

**"Future Earnings Evaluations: A Historical Test of Accuracy,"** Presented at the 1994 meetings of the Southwestern Society of Economists. (co-author).

**"Estimating Damages in F.E.L.A. Cases: Techniques for Economists (With Particular Emphasis on Cases Involving Railroads),"** Presented at the 1995 meetings of the Midsouth Academy of Economics and Finance. (co-author).

**"Understanding Present Value,"** Presented at the 1997 meetings of the Southwestern Society of Economists. (co-author).

**"Life Care Plan Analysis,"** published in the Southwestern Society of Economists Proceedings, 1997.

**"The Economic Value of Homemaker Services in Personal Injury/Wrongful Death Cases vs. Divorce Cases,"** published in the Southwestern Society of Economists Proceedings, 1997. (co-author)

**"The Impact of Work Life Expectancy on Estimates of Lost Earnings: The Application of Probabilities of Working,"** presented at the 1999 annual meetings of the Academy of Economics and Finance in Little Rock, Arkansas, February 1999.

**"A Technique for Analyzing the Lost Earnings Capacity of a Minor Child in the Case of Personal Injury or Wrongful Death,"** Presented at the 2001 meeting of the Southwestern Society of Economists.

**"Economic Considerations in Analyzing the Fairness and Equity of Class Action Settlements,"** presented at the 2003 meetings of the Academy of Economics and Finance.

**"The Roles and Responsibilities of the Economist in Matters of Litigation,"** presented at the 2004 annual meetings of the Academy of Economics and Finance in Little Rock, Arkansas, February 2004.



**CERTIFICATE OF SERVICE**

I, Carmella P. Keener, hereby certify that on this 20th day of August, 2007, I caused the foregoing document to be electronically filed with the Clerk of the Court using CM/ECF, which will send notification of such filing to the following:

William M. Lafferty, Esquire  
Morris, Nichols, Arsht & Tunnell, LLP  
1201 N. Market Street  
P.O. Box 1347  
Wilmington, DE 19899-1347

Christopher J. Curtin, Esquire  
Erisman & Curtin  
P.O. Box 250  
Wilmington, DE 19899-0250

/s/ Carmella P. Keener  
Carmella P. Keener (DSBA No. 2810)  
ROSENTHAL, MONHAIT & GODDESS, P.A.  
919 Market Street, Suite 1401  
Citizens Bank Building  
Wilmington, DE 19899-1070  
(302) 656-4433  
[ckeener@rmgglaw.com](mailto:ckeener@rmgglaw.com)

*ATTORNEYS FOR PLAINTIFF*